

# Privatizing Traffic Monitoring Programs

An Arkansas Experience

A. Keith Merritt, P.E.

# THE REAL BEGINNING

## 1996

The Directive to “Analyze all of the Traffic Monitoring Programs and look at the possibilities of using Contractors/Others to outsource major duties particularly in the Field Operations”.

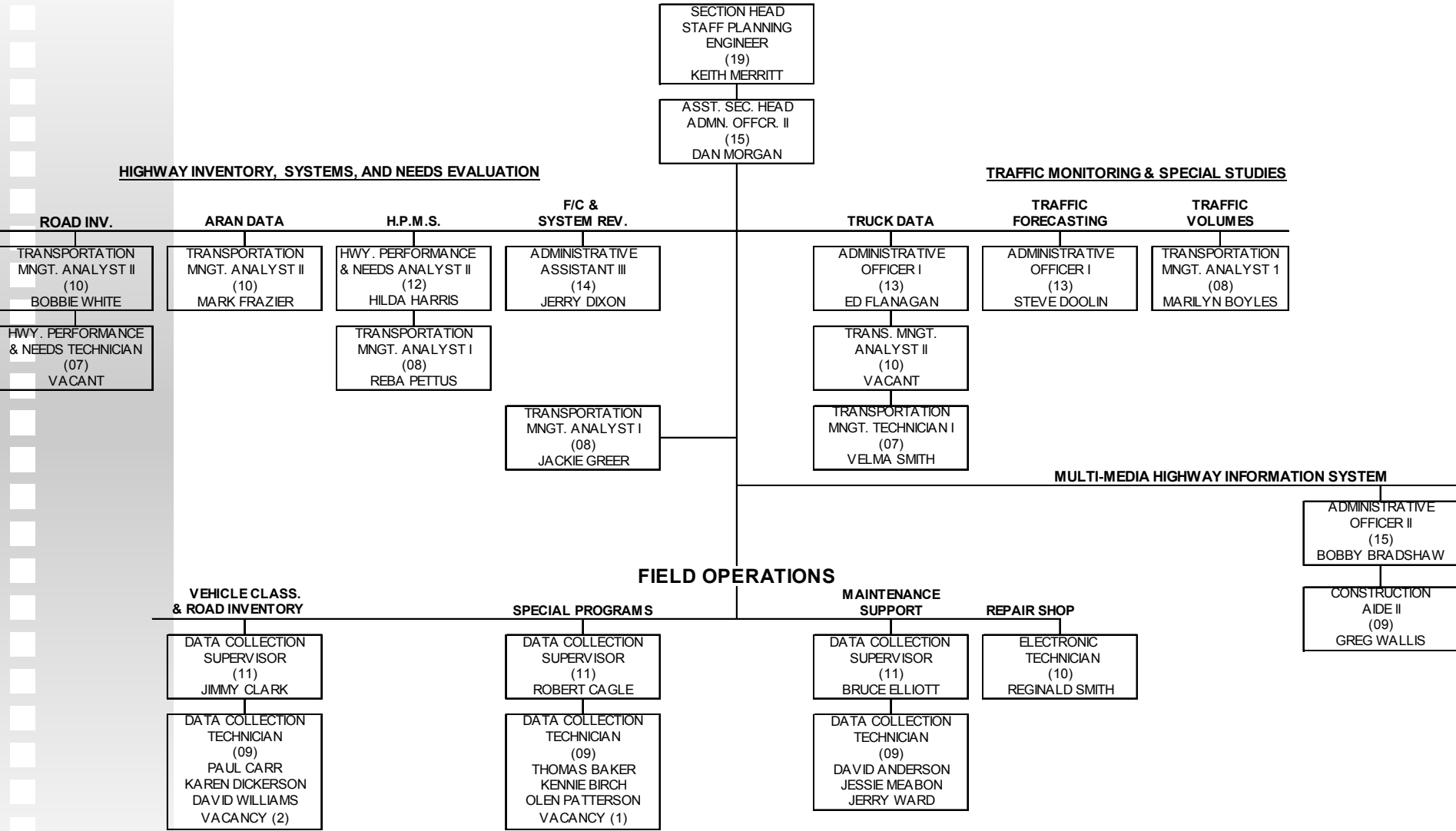
# MINUTE ORDER 97-100

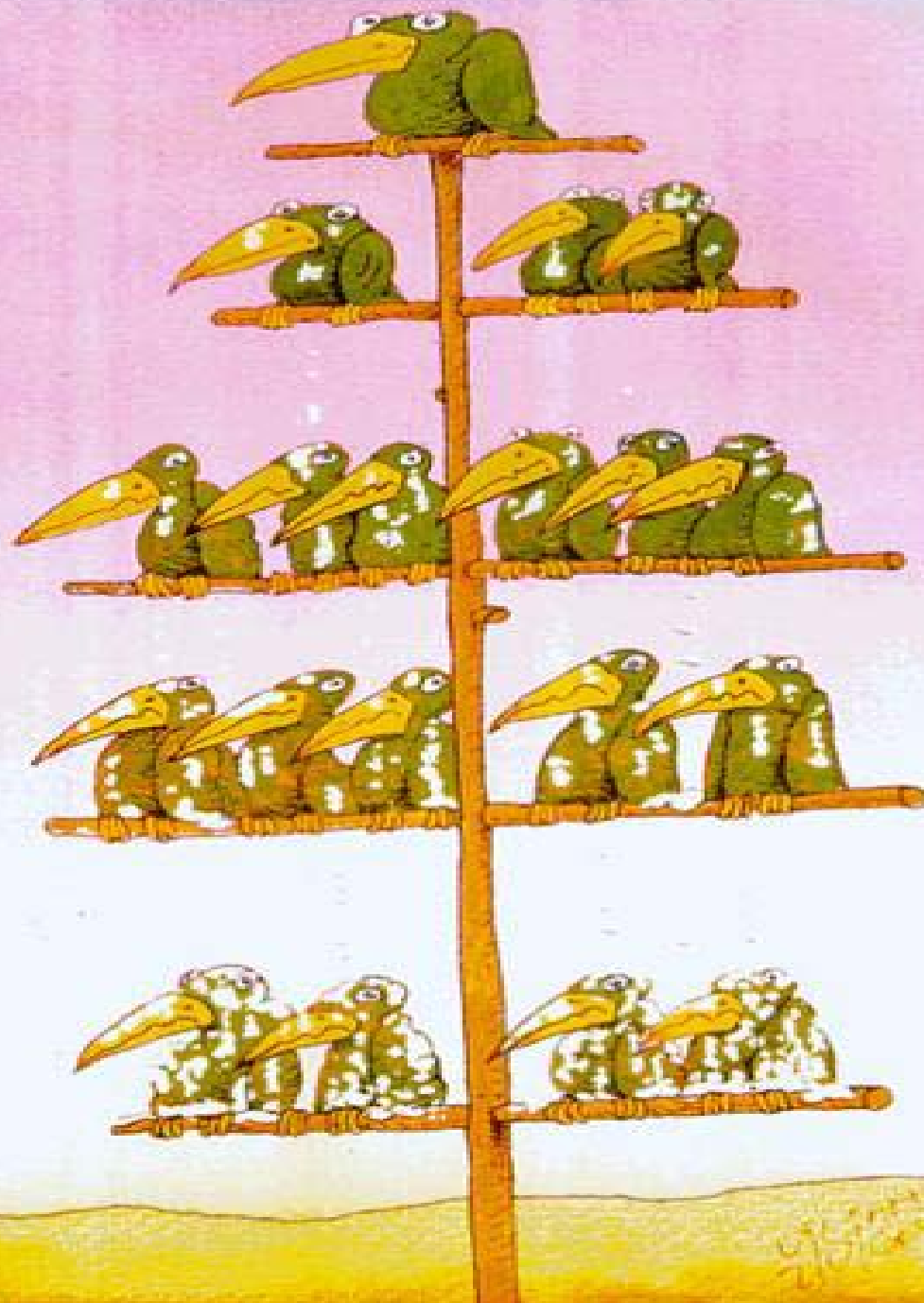
Passed by the Arkansas Highway and  
Transportation Department and it's  
Commissioners

# MINUTE ORDER 97-100

- Accurate traffic data is necessary for the Dept. to maintain sound location and design practices
- The need exists to supplement the Department's in-house capabilities
- Private companies are available which provide quality, cost effective traffic data collection services
- The Director is authorized to solicit proposals and enter into Contracts

ARKANSAS HIGHWAY AND TRANSPORTATION DEPARTMENT  
PLANNING AND RESEARCH DIVISION  
TECHNICAL SERVICES SECTION  
ORGANIZATIONAL CHART





# Field Operations/Programs

- Turning Movements 120/year
- 48 Hour Volume Counts 8000/year
- 48 Hour Vehicle Class. 1200/year
- W-I-M Installation 4 or 5/year
- Road Inventory 150 Mi./yr.
- Skid Testing
- Origination and Destination 1 or 2/year
- ARAN (automatic road analyzer)
- FWD ( falling weight deflectometer)

# THE REASON FOUNDATION

<http://reason.org/htg.html>

## Publication 34, Comparing In-House versus Contracted Services

- DIRECT COSTS
- INDIRECT COSTS
- AVOIDABLE COSTS



# DIRECT COSTS

Costs that directly attributable to the task such as that employee's labor, equipment, vehicle costs, per diem, etc.

# INDIRECT COSTS

Costs not directly associated but necessary such as supervision, supervisor's vehicle, and other expenses.

# AVOIDABLE COSTS

Those costs that could be totally eliminated if that task was eliminated.

Table 1

**COMPARISON OF FULLY ALLOCATED COSTS  
AND AVOIDABLE COSTS  
FOR  
TRAFFIC VOLUME COUNTS  
YEARLY**

Cost Item	Fully Allocated Costs	Avoidable Costs
Direct Costs		
Salaries	\$150,696	\$150,696
Employee benefits (@ 59%)	88,911	88,911
Vehicles	36,000	36,000
Equipment	4,375	4,375
Expense accounts	30,720	30,720
Hoses	<u>4,400</u>	<u>4,400</u>
Total Direct Costs	\$315,102	\$315,102
Indirect Costs		
Salaries (50% Supervisor)**	\$18,850	\$18,850*
Salaries (20% Elect. Tech.)**	5,970	0
Employee benefits	14,644	11,122*
Vehicle (50% Supervisor)**	<u>3,600</u>	<u>3,600*</u>
Total Indirect Costs	\$43,064	\$33,572
Total Direct and Indirect Costs	\$358,166	\$348,674

**Cost per volume count  
(8831 counts) = \$39.50/each**

\* Generally not considered to be avoidable; however, supervisor could be eliminated with privatization of volume counts.

\*\*These salaries and vehicle costs are distributed with respect to time used in volume counting as opposed to total time available for all duties.

Table1presentation.doc

**Table 2**

**COMPARISON OF FULLY ALLOCATED COSTS  
AND AVOIDABLE COSTS  
FOR  
TURNING MOVEMENTS  
YEARLY**

Cost Item	Fully Allocated Costs	Avoidable Costs
<b>Direct Costs</b>		
Salaries	\$54,288	\$54,288
Employee benefits (@21%) & Insurance	17,665	17,665
Vehicles	14,400	14,400
Equipment	1,750	1,750
Expense accounts	10,185	10,185
Hoses	<u>1,760</u>	<u>1,760</u>
Total Direct Costs	\$100,048	\$100,048
<b>Indirect Costs</b>		
Salaries (50% Supervisor)*	\$15,964	\$15,964
Salaries (20% Elect. Tech.)*	5,970	0
Employee benefits (@21%) & Insurance	6,798	4,918
Vehicle (50% Supervisor)*	<u>3,600</u>	<u>3,600</u>
Total Indirect Costs	\$32,332	\$24,482
Total direct and indirect costs	\$132,380	\$124,530

**Cost per Turning Movement  
(137 Turning Movements) = \$910.00/each**

\*These salaries and vehicle costs are distributed with respect to time used in Turning Movements as opposed to total time available for all duties.

**Table 3**

**COMPARISON OF FULLY ALLOCATED COSTS  
AND AVOIDABLE COSTS  
FOR  
VEHICLE CLASSIFICATION COUNTS  
YEARLY**

Cost Item	Fully Allocated Costs	Avoidable Costs
<b>Direct Costs</b>		
Salaries	\$59,904	\$59,904
Employee benefits (@ 59%)	35,343	35,343
Vehicles	14,400	14,400
Equipment	3,523	3,523
Expense accounts	12,288	12,288
Hoses	<u>1,760</u>	<u>1,760</u>
Total Direct Costs	\$127,218	\$127,218
<b>Indirect Costs</b>		
Salaries (50% Supervisor)*	\$18,850	0
Salaries (30% Elect. Tech.)*	8,955	0
Employee benefits	16,405	0
Vehicle (50% Supervisor)*	<u>3,600</u>	<u>0</u>
Total Indirect Costs	\$47,810	\$0
Total direct and indirect costs	\$175,028	\$127,218
<b>Cost per classification (995 counts) = \$128.00/each</b>		

\*These salaries and vehicle costs are distributed with respect to time used in vehicle classifications as opposed to total time available for all duties.

Table 4

COMPARISON OF COSTS IN-HOUSE SERVICE VS. CONTRACTED SERVICE FOR VARIOUS STATES						
	Arkansas (In-House)	T	W	O	I	M
		By Contract				
	Per Count, Classification or Turning Movement					
48-Hour volume	\$40.00	\$15.00	\$100.00*	\$20.00 & \$30.00	\$200.00*	-0-
48-Hour Classification	\$130.00	-0-	330.00	200.00	300.00	\$250.00
T. M. **	\$925.00	-0-	500.00	-0-	500.00	458.00

- By hour, lane and direction. Does not directly compare with Arkansas. Arkansas is raw data (axle hits) only.

\*\* Currently seeking RFP's.

- 0- Indicates this is not contracted out.

# WHAT DO WE CONTRACT? HOW DO WE DECIDE????

- |                          |                          |
|--------------------------|--------------------------|
| ■ Turning Movements      | 1 <sup>st</sup> Contract |
| ■ 48 Hour Volume Counts  | 3 <sup>rd</sup> Contract |
| ■ W-I-M Installation     | 2 <sup>nd</sup> Contract |
| ■ 48 Hour Classification | 4 <sup>th</sup> Contract |





DECISION TIME

LOW BID

OR

PROFESSIONAL SERVICES???



PROFESSIONAL SERVICES!

# AHTD PROCEDURES

Advertisement for Letters of Interest

Evaluation of Letters of Interest

Request for Proposal

Negotiation and Contract Preparation

Monitoring the Contract

**ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT  
PROCEDURES FOR  
EVALUATION OF THE QUALIFICATIONS OF  
PROSPECTIVE CONSULTANTS AND SELECTION  
OF CONSULTANT ENGINEERS**

**Section 1 – Advertisement for Letters of Interest.**

When it has been determined that a need exists to perform engineering services for a specific project, the Director is authorized by the Commission to employ a Consulting Engineer or Engineering firm.

The Department will usually advertise in the local paper, "Arkansas Democrat-Gazette," and the "Engineering-News Record" magazine on a per job basis advising that consulting engineering services are being sought. This advertisement will generally describe the work so firms may evaluate their interest in performing the services. Those interested firms must furnish a Letter of Interest showing experience in like work, resumes of key personnel, a general description of the firm, and must include a Form SF 254.

In lieu of the above, the Department may, on some occasions, advertise a group of jobs at one time. The jobs will be advertised in the same manner, and a general scope of work will be furnished. The consultants are requested to note which jobs they are interested in performing. When the Department decides to proceed with a certain job, those firms having expressed interest in that job will be considered.

**Section II – Evaluation of Letters of Interest.**

A selection committee designated by the Chief Engineer will evaluate and analyze the Letters of Interest. The letters are reviewed with regard to the following:

1. Adequate professional staff;
2. Education and experience of the staff;
3. General and professional reputation of the firm, including its responsiveness to civil rights and equal employment opportunity requirements;
4. Past performance evaluations for work with the Department and experience with others for the kind of work involved in the project under consideration;
5. Availability – consideration will be limited to Consultants who have or agree to establish a working office at a place acceptable to the Department for availability for review and discussion of the work involved;
6. Workload – selection will be limited to Consulting Engineers having a workload that will enable them to complete the work in the allowable time;

7. Ability to expand – if the work exceeds the consulting firm's normal capacity, consideration may be given to the consulting firm's declared intention of expansion if it has a key personnel organization and is in an area where the availability of engineering technicians is known to exist; and
8. Examples of work previously performed by the Consultant on projects of a similar nature will be reviewed.

Following this review, the committee will recommend to the Chief Engineer those firms selected for submission of detailed proposals.

### **Section III – Request for Proposal.**

Those firms selected (short listed) will be requested to submit a proposal for performing the work according to the scope of work provided, which will typically contain the following:

1. A detailed description of the work;
2. Services to be furnished by the Department;
3. Services expected of the Consultant;
4. Project conditions of the work;
5. Special conditions of the work;
6. Assurance of participation of Disadvantaged Business Enterprises (DBE) in federal aid projects. The Department may set aside a certain percentage of the work for DBE's to assure DBE's participation in federal aid projects. The Department's list of certified DBE firms will be furnished upon request. When DBE requirements are specified, the Department must ensure that a certified DBE performs at least the set aside percentage of the work and monitor payments to DBE's to ensure the percentage is reached. This set aside does not in any way preclude a DBE from being the prime consultant for the work.

The proposals submitted should contain the following:

1. A description of the firm;
2. A detailed work plan that identifies major concerns;
3. A detailed schedule of the work;
4. An organization chart showing key personnel by name;
5. Resumes of key personnel; and
6. A manpower estimate required to perform the work.

The proposals will be reviewed by a selection committee designated by the Chief Engineer with regard to the same items, among others, considered in Section II. Particular attention should be directed to the following:

3. The work schedule;
4. The local office and local representative;
5. The DBE firm and other sub-consultants.

Based on these various items, the selection committee will rank the firms in order of preference. This ranking will be submitted to the Chief Engineer, who will either (1) select one firm with which to enter negotiations, or (2) select two or more firms to attend interviews where they may present additional information concerning their proposal. If the recommendation is to conduct interviews, those firms will be advised and the interviews scheduled. The firms will be ranked based on the same items as noted previously. When the rankings of these firms are made and concurred in by the Chief Engineer, the rankings will be submitted to the Director of Highways and Transportation for the final ranking and selection. Records of the rankings and supporting data are made a part of the contract file; however, the rankings are not public information.

#### **Section IV – Negotiation and Contract Preparation.**

The selected firm will be asked to prepare a draft contract including a cost estimate for the project. The other firms on the short list will be advised of the firm selected, subject to successful negotiations.

The draft contract will be prepared based upon an example contract furnished to the consultant and shall include overhead rates in accordance with the principles of 23 CFR 172. For contracts exceeding \$250,000 and for contracts less than \$250,000 where there is insufficient knowledge of the consultant's accounting system, where there is previous unfavorable experience regarding the reliability of the consultant's accounting system, or where the contract involves procurement of new equipment or supplies for which cost experience is lacking, the overhead rates will be verified through an audit by a certified public accountant on behalf of the consultant prior to signing the contract.

Prior to any negotiations, the project will be analyzed by the Department, and a fixed price estimate or cost reimbursable fee will be determined based on the complexity of the problems, including the degree of risk, relative difficulty of design, size of the project, the details required, the period of performance, and previously negotiated consultant agreements. This estimated contract price would be documented in the Department's records.

The Department will review the contract proposal and approve it as submitted or enter into negotiations with the selected firm to establish a contract price which is fair and reasonable to the Department. In the event a satisfactory contract cannot be negotiated with the firm selected, negotiations will be formally terminated. The Department will then enter into negotiations with the second ranked firm. If negotiations fail with that firm, the Department will terminate those negotiations and begin negotiations with the third ranked firm, and so on. If the Department cannot negotiate a satisfactory contract with any of the ranked firms, the Department shall either (1) select

additional firms in order of their competence and qualifications and continue negotiations, or (2) terminate all negotiations and begin the selection process again.

After final negotiations between the Consultant and Department are completed and an agreement has been reached regarding the scope of the work, the professional services to be furnished by the Consultant, the services to be furnished by the Department and the amount of the contract and method of payment, the final draft will be prepared by the consultant and submitted for review by the Department. Upon completion of this review, the contract will be signed by the Consultant and executed on behalf of the Department by the Director of Highways and Transportation. The contract will be distributed with copies going to AHTD and the Consultant. On Federal Oversight Projects, the Federal Highway Administration (FHWA) will review the draft contract and will review, approve and receive a copy of the final executed contract.

#### **Section V – Monitoring the Contract.**

The Chief Engineer will appoint a coordinator to administer the contract. The Coordinator will:

1. Maintain files on the contract;
2. Arrange and attend periodic progress meetings
3. Coordinate reviews and approval actions with FHWA when necessary;
4. Review progress payments;
5. Direct queries from Consultant to the proper AHTD Division for answers;
6. Negotiate any change or amendment to the contract;
7. Prepare an evaluation of the contract and the performance of the Consultant upon completion of the contract, with input from other personnel of the AHTD. A copy of this evaluation will be given to the Consultant and on federal oversight projects to FHWA.

## **NOTICE SEEKING LETTERS OF INTEREST**

### **STATEWIDE TRAFFIC VOLUME COUNTS**

The Arkansas State Highway and Transportation Department is seeking qualified consulting firms to perform Traffic Volume Counts. The work will consist of performing 24-hour and 48-hour machine counts at statewide locations assigned by the Department. Additionally, latitude and longitude coordinates of count locations will be recorded.

A letter of interest that includes general information concerning the firm's experience in performing traffic volume counts and a list of equipment available for use in performing counts and for determining latitude and longitude should be sent to:

Mr. Thomas L. Harrell  
Planning and Research Engineer  
Arkansas State Highway and Transportation Department  
P.O. Box 2261  
Little Rock, AR 72203-2261

Deadline for receiving the required information is 4:00 p.m., Wednesday, October 31, 2001.

For additional information call A. Keith Merritt at (501) 569-2111.



# **ARKANSAS STATE HIGHWAY COMMISSION**

## **AGREEMENT FOR 48-HOUR TRAFFIC VOLUME COUNTS**

**STATE OF ARKANSAS)**

**COUNTY OF PULASKI)**

**THIS AGREEMENT** is hereby entered into and executed by and between the Arkansas State Highway Commission, acting by and through the Director of Highways and Transportation as authorized to act by Highway Commission Minute Order 97-100 (hereinafter called the "Department") and The Traffic Group, Inc., a corporation existing under the laws of the State of Maryland, with principal offices at 40 West Chesapeake Avenue, Suite 600, Towson, Maryland, (hereinafter called the "Consultant").

**WITNESSETH:**

**WHEREAS**, accurate traffic data is necessary for the Department to maintain sound design practices; and

**WHEREAS**, the need exists to supplement the Department's in-house capabilities for collecting traffic data; and

**WHEREAS**, for the calendar years 1999, 2000 and 2001, the Department desires to obtain traffic data collection services which the Consultant provides.

**NOW THEREFORE**, it is considered to be in the best interest of the Department to obtain the assistance of the Consultant in connection with said data collection services and in consideration of the faithful performance of each party of the mutual covenants and other considerations set forth hereinafter, it is mutually agreed as follows:

1. The Consultant in consideration of the sum of Forty Dollars (\$40.00) per 48-hour traffic volume count location -- to be paid by the Department as hereinafter set out -- agrees to perform 48-hour Traffic Volume Counts in the specified time as directed by the Department -- as set forth hereinafter. The total contract amount shall not exceed Nine Hundred Thousand Dollars (\$900,000).
2. 48-hour Traffic Volume Counts will be performed with machine counters at locations specified by the Department in the State of Arkansas.

3. The Department will furnish Arkansas State and County maps, count location maps, forms, copies of the Arkansas Highway and Transportation Department's ADT program to complete all 48-hour traffic volume counts. Any specific site information and the time frame for completing Transportation Study Counts shall be set out in detail in the Scope of Work (sample attached) provided with each request.
4. The maximum amount payable under this Agreement without a change order is Forty Dollars (\$40.00) per 48-hour Traffic Volume Count. Payment will be made for each 48-hour Traffic Volume Count completed, submitted and approved. Recounts will be ordered by the Department when the Consultant submits a count which is over 30% higher or lower than the previous year. Should the Department find that the recounted site location to be in agreement with the initial count; the Consultant will be paid for the recount of said location. Should the Department find the initial count to be in error; the Consultant will not be paid for the recount of said location. Payment will be made for each count as completed and submitted to the Department for approval.
5. The Department, or any of its designated representatives, may at anytime during the progress of the work, alter the Scope of Work required to complete this project, without violating this contract or the terms thereof. Such changes to the Scope of Work and other alterations shall not release the Surety, and the Consultant agrees to perform the work as altered. In the event the work required to complete this project is greater than the Scope of Work, then the maximum amount payable under this Agreement will be adjusted to the amount agreed on by the Consultant and approved by the Department for the increase in work requirements. The number of calendar days to complete the project will be extended based on the time agreed on by the Consultant and approved by the Department.
6. A change in the amount of work, calendar days and maximum contract payment must be agreed by both parties prior to any additional work being performed by the Consultant.

7. All 48-hour Traffic Volume Count files, drawings, disks and documents prepared by the Consultant in connection with the work specified in the Scope of Work shall become the property of the Department and shall be delivered to the Department with the Consultant's request for payment. The Consultant, not being in default in any of the terms of this Agreement, upon completion of the work in a manner satisfactory to the Department and upon delivery of the work pursuant to this Agreement, shall make a request for payment by submitting the original and four copies of the Consultant's invoice to:

Mr. A. Keith Merritt  
Staff Planning Engineer for Technical Services  
Arkansas Highway and Transportation Department  
P. O. Box 2261  
Little Rock, AR 72203-2261

The Department shall make payment to the Consultant within thirty (30) days from the date of submission of Consultant's invoice for work.

8. This contract may be terminated before the established completion time upon ten days written notice by either party upon the failure of the other party to fulfill its obligations under this contract, or by either party for convenience upon thirty days written notice or by mutual agreement. The Consultant shall be paid for all services completed in a professional and workmanlike manner satisfactory to the Department up to termination of the contract.
9. The Department's Chief Engineer shall act as referee in any dispute concerning work performed hereunder, and the Chief Engineer's decision shall be final and binding upon the Consultant.
10. The Consultant agrees to furnish the Department with a certificate from an insurance carrier evidencing the Consultant has in force insurance as required under the workers' compensation law of the State of Arkansas, and that the premium or premiums on such insurance has been paid in full.
11. The Consultant shall comply with all required contract provisions included herein and in the Appendices attached hereto.
12. The waiving of any one or more of the covenants on the part of either party herein contained shall be limited to the particular breach and shall not be deemed a waiver of any other breaches of covenants.

13. Neither party shall assign this Agreement nor any interest therein without written consent of the other party; nor shall the Consultant sub-contract any portion of the work hereunder without first obtaining the written permission of the Department.
14. It is distinctly understood and agreed between the parties hereto, that the Consultant shall hold the Department harmless and be solely responsible for, and shall indemnify the Department against, all claims and liability due to the activities of the Consultant, or anyone directly employed by or under contract with the Consultant, for the duration of this contract.
15. The Consultant shall comply with all Federal, State and local laws and ordinances applicable to the work.
16. The Consultant shall perform whatever additional work is necessary to correct errors in the work caused by gross negligence, carelessness or incompetence. Such work shall be performed at no cost to the owner.
17. It is specifically agreed between the parties executing this agreement that it is not intended by any of the provisions of any part of the agreement to create the public or any member thereof a third party beneficiary hereunder or to authorize anyone not a party to this agreement to maintain a suit or action for injuries or damage of any nature pursuant to the terms or provisions of this agreement.
18. The Consultant will not be permitted to employ or to make offer of employment, for regular or part-time work during the life of this contract, to any person who is or has been an employee of the Department within the twelve (12) months immediately preceding the execution of this Agreement, except regular retired employees or except by written permission from the Director.
19. The Consultant warrants that it has not employed or retained by company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working for the Consultant, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the Owner shall have the right to annul this contract without liability.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed  
this \_\_\_\_\_ day of August, 1999.

ARKANSAS STATE HIGHWAY COMMISSION

Recommended:

\_\_\_\_\_  
Steve Teague  
Assistant Chief Engineer for Planning

By \_\_\_\_\_  
Dan Flowers  
Director of Highways and Transportation

The undersigned hereby represents and warrants that he is an officer of the company and that he  
has full and complete authority to enter into this contract on behalf of the company.

THE TRAFFIC GROUP, INC.

By \_\_\_\_\_  
Principal

# ARKANSAS STATE HIGHWAY COMMISSION

## Traffic Volume Counts for 48-hours

### Scope of Work

Traffic Volume Counts for 48-hours are requested for the counties and urban areas shown on the attached map(s).

**Work Required** -- Using details provided in the AHTD *Technical Services Field Manual, 1988 Edition*, , the work required to be performed by the Consultant is as follows:

- (a) Set machines to obtain both a 24 and a 48-hour total vehicle traffic count of all vehicles. Counts are to be taken Monday 7:00 a.m. through Friday noon only.
- (b) For divided highways, Set machines to obtain a total volume count as in 1(a) above for each direction of travel.
- (c) Include Technical Services Field Form For Collecting Data whenever problems are encountered in the field.
- (d) Include 3 1/4" disk for each county or major urban area clearly marked for identification.
- (e) Include all count location maps.
- (f) Counts are not to be taken on holidays, during highway construction, incimate weather or other times when adverse conditions would alter the integrity of the counts taken.

**Completion Date** -- Ample time shall be scheduled and adequate resources dedicated to the project to complete the 48-hour Traffic Volume Counts by \_\_\_\_\_. Completion includes all submittals, reviews and returns, and acceptance by the Arkansas State Highway and Transportation Department (AHTD) Planning and Research Division.

**Quality Control** -- The Consultant is to properly supervise and maintain close contact with employees in order to provide the highest quality service possible to the AHTD. The Consultant will test and certify his equipment in accordance with the standards contained in *the FHWA Traffic Monitoring Guide (TMG)*, the *AASHTO Guidelines for Traffic Data Programs*, and the *Highway Performance Monitoring System (HPMS) Program Field Manual*. These standards will govern the frequency of testing, duration of testing,

and the minimum precision for the various types of devices being used for the 48-hour Traffic Volume Counts.

**Supervision** – The Consultant will prosecute and direct the work subject to the Contract requirements. Except for initial training on performing 48-hour Traffic Volume Counts and in the matter of advising the Consultant as to the work to be done and the results expected, the AHID shall have no supervision over the Consultant or any of his employees.

**Compliance** – All work performed by the Consultant shall be in compliance with all applicable Federal, State and local laws, regulations and ordinances.

## APPENDIX A

During the performance of this contract, the Consultant, for itself, its assignees and successors in interest (hereinafter referred to as the 'Consultant') agrees as follows:

1. **Compliance with Regulations:** The Consultant shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Consultant, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, religion, sex, color, national origin, age or disability, in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. **Solicitations for Subcontract, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Consultant of the Consultant's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, religion, sex, color, national origin, and/or disability.



4. **Information and Reports:** The Consultant shall provide all information and reports required by the Regulations, or directives, issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Arkansas State Highway and Transportation Department or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the Arkansas State Highway and Transportation Department, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
  
5. **Sanctions for Noncompliance:** In the event of the Consultant's non-compliance with nondiscrimination provisions of this contract, the Arkansas State Highway and Transportation Department shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
  - (a) withholding of payment to the Consultant under the contract until the Consultant complies, and/or
  - (b) cancellation, termination or suspension of the contract, in whole or in part.
  
6. **Incorporation of Provisions:** The Consultant shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The Consultant shall take such action with respect to any subcontract or procurement as the Arkansas State Highway and Transportation Department or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, however, that in the event a Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Consultant may request the Arkansas State Highway and Transportation Department to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **APPENDIX B**

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

1. The Consultant certifies to the best of its knowledge and belief, that is and its principals:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) Are not presently indicated for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
  - (d) Have not within a three-year period preceding this application/proposal had one or more the Consultant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## APPENDIX C

### CERTIFICATION REGARDING LOBBYING

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any Funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Consultant shall require that the language of this certification be included in the award documents for all subawards at all tiers (included subcontractors, subgrants, and contract under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31, United States Code, Section 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

# WHERE IS AHTD NOW???

- Currently under 2<sup>nd</sup> Three year contract for Traffic Volume Counts
- Currently under 2<sup>nd</sup> Two year contract for Turning Movement Surveys
- Completed contract for W-I-M site construction in 1997----5 sites and 14 lanes

# WHERE IS AHTD GOING??

- Will continue Volume and Turning Movement Survey Contracts
- Will have future contracts for W-I-M as the Interstate Bond Projects are completed
- January 1, 2003-- First contract will appear for Vehicle Classification Counts, 300 of 1200 sites

# ADVANTAGES TO PRIVATIZATION

- SAVE MONEY!
- REDUCTION IN EMPLOYEE NUMBERS
- IMPROVED QUALITY OF DATA!
- ABLE TO CONCENTRATE EFFORTS  
ON OTHER TASKS!

# SUMMARIZE

- Determine the need to Privatize
- Determine what to privatize through cost analysis and talking to other states
- Seek Professional Services!!!!
- Use step-by-step Department procedures
- Don't Contract everything at once!
- Monitor the Contract



That's All Folks!

QUESTIONS???